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Significantly more bankruptcies in 2023

Bankruptcies +13%, registrations –7% compared to previous year 2022

Vienna, 2024-02-09 – According to preliminary figures from Statistics Austria, the number of bankruptcies rose by around 13% to 5 338 in 2023 compared to 2022. Registrations of legal units fell by around 7% to 60 956 in the same period.

“At the end of 2023, company bankruptcies had increased by almost a fifth compared to the fourth quarter of the previous year to 1 431. There was a total of 5 338 bankruptcies in Austria in 2023, around 13% more than in 2022. The service sector was particularly affected, followed by trade and construction. The economic situation is also dampening intentions to set up companies. There were around 5 000 fewer registrations of legal units in 2023 than in the previous year,” says Statistics Austria Director General Tobias Thomas.

At 1 431, the number of **bankruptcies** in the fourth quarter of 2023 was slightly above the level of the previous quarter (+9.6%; Q3/2023: 1 306 bankruptcies) and around 19% higher than in the same quarter of the previous year (Q4/2022: 1 198 bankruptcies). Compared to the same quarter of the previous year, bankruptcy figures rose in almost all sectors, with the sharpest increases in wholesale and retail trade, information and communication, financial services/other services and construction. Compared to the previous quarter, the third quarter of 2023, the strongest increase in bankruptcies was recorded in the manufacturing, construction, accommodation and food service activities and personal services. In total, around 13% more company bankruptcies were recorded in 2023 than in the year before (2023: 5 338, 2022: 4 725).

At the same time, 13 166 **registrations of legal units** were recorded in the period from October to December 2023. This is around 13% less than in the same quarter of the previous year (Q4/2022: 15 126 registrations) and around 9% less than in the previous quarter (Q3/2023: 14 436). A total of 60 956 registrations of legal units were recorded in 2023, around 5 000 or 7% fewer than in the previous year (2022: 65 215). In contrast to the formation of a company, the registration of a legal unit is part of an administrative procedure and is to be understood as a declaration of intent. It does not always mean that economic activity will actually commence. Nevertheless, registrations are an important early indicator of economic development.

Services, trade and construction with the most bankruptcies

By economic sector, in financial services/other services (329), construction (278), wholesale and retail trade (240) as well as accommodation and food service activities (203), showed the highest **bankruptcy** figures in the fourth quarter of 2023, with the number of bankruptcies generally highly depending on the number of active enterprises in the individual economic branch. Rather few bankruptcies were recorded in the sectors information and communication (51) and manufacturing (90). Compared to the fourth quarter of 2022, the wholesale and retail trade sector overtook the accommodation and food service activities sector in the ranking (see table 1).

Highest numbers of registrations in services

Most **registrations** in the fourth quarter of 2023 were recorded in financial services/other services (3 661), personal services (3 151) and wholesale and retail trade (2 595). The fewest registrations were recorded in transportation and storage (484), construction (696) and information and communication (743; see table 2).

For detailed results and further information on on registrations and bankruptcies please refer to our [web-site](#).

Table 1: Bankruptcies until Q4 2023 by aggregated economic branches, preliminary data

ÖNACE ¹ 2008 sections		2022	2023 ²	Change in % 2022/2023 ²	Q4 2022	Q4 2023 ¹	Change in % Q4 2022/Q4 2023 ²
B–E	Manufacturing	280	321	14.6	76	90	18.4
F	Construction	832	934	12.3	223	278	24.7
G	Wholesale and retail trade	826	944	14.3	181	240	32.6
H	Transportation and storage	432	422	-2.3	115	108	-6.1
I	Accommodation and food service activities	655	742	13.3	188	203	8.0
J	Information and communication	169	211	24.9	39	51	30.8
K–N	Financial services/other services	1 073	1 269	18.3	260	329	26.5
P–S	Personal services (without S94) ³	458	495	8.1	116	132	13.8
Total		4 725	5 338	13.0	1 198	1 431	19.4

S: STATISTICS AUSTRIA, Statistics on bankruptcies.

1) ÖNACE: Austrian classification of economic activities. The version currently in use is ÖNACE 2008. – 2) Preliminary data for Q1 2024 until Q4 2023. – 3) S94: Interest groups and associations.

Table 2: Registrations until Q4 2023 by aggregated economic branches, preliminary data

ÖNACE ¹ 2008 sections		2022	2023 ²	Change in % 2022/2023 ²	Q4 2022	Q4 2023 ¹	Change in % Q4 2022/Q4 2023 ²
B–E	Manufacturing	3 504	3 769	7.6	933	919	-1.5
F	Construction	3 705	3 692	-0.4	720	696	-3.3
G	Wholesale and retail trade	10 754	10 964	2.0	2 667	2 595	-2.7
H	Transportation and storage	2 408	2 362	-1.9	587	484	-17.5
I	Accommodation and food service activities	3 357	3 589	6.9	845	917	8.5
J	Information and communication	3 461	3 255	-6.0	765	743	-2.9
K–N	Financial services/other services	21 505	18 807	-12.5	4 781	3 661	-23.4
P–S	Personal services (without S94) ³	16 521	14 518	-12.1	3 828	3 151	-17.7
Total		65 215	60 956	-6.5	15 126	13 166	-13.0

S: STATISTICS AUSTRIA, Statistics on registrations.

1) ÖNACE: Austrian classification of economic activities. The version currently in use is ÖNACE 2008. – 2) Preliminary data for Q1 2023 until Q4 2023. – 3) S94: Interest groups and associations.

Information on methodology, definitions: From the first quarter of 2021 onwards, Statistics Austria is obliged to compile quarterly data on registrations of legal units and on bankruptcies. The data are produced since reference year 2019 and published by aggregated economic activities (ÖNACE 2008) 40 days after the end of the respective reporting quarter. All market economy activities in sections B to S (without section O and division S94) of ÖNACE 2008 are recorded. For units for which ÖNACE is not available, the subject allocation of the Austrian Federal Economic Chamber (WKÖ) is used as a data source, or an estimate is made using an ÖNACE distribution based on the new entries in the statistical business register (URS).

A **registration** is the recording of a legal unit in the business register for administrative purposes (URV) under certain premises. In addition to the URV, the statistical business register represents a central database for the data on registrations. In contrast to an enterprise birth, the registration of a legal unit is part of an administrative procedure and is to be understood as a declaration of intent. It does not necessarily mean that an economic activity in the sense of turnover or employment will actually be taken up.

The data on **bankruptcies** are based on the judicial bankruptcy proceedings; the main source is the Judicial edict file of the Federal Ministry of Justice. Bankruptcies are not synonymous with enterprise deaths (the

enterprises concerned can also continue their activities under certain conditions), but are an early indicator to measure the situation of an economy. In the event of an actual enterprise closure, all activities of the enterprise must be terminated.

Notes: The data on registrations and bankruptcies for the **last four quarters** of the report are shown as **provisional** and are revised when a new quarter is published.

In Austria, there are comparable bankruptcy figures for instance from the KSV1870. Although the data source used is identical, there are slight deviations from the figures published by Statistics Austria. Causes include different coverage areas or reference times for the analysis or the assignment of the units to economic branches according to ÖNACE 2008.

If you have any questions on this topic, please contact:

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